

WHITE & CASE

1155 AVENUE OF THE AMERICAS, NEW YORK

333 SOUTH HOPE STREET, LOS ANGELES

200 SOUTH BISCAYNE BOULEVARD, MIAMI

20 PLACE VENDÔME, PARIS

66 GRESHAM STREET, LONDON

BIRGER JARLSGATAN 14 STOCKHOLM

1747 PENNSYLVANIA AVENUE, N W

WASHINGTON, D C 20006-4604

(202) 872-0013

FACSIMILE (202) 872-0210

TELEX 197898

16677

20-5 ICHIBANCHO, CHIYODA-KU, TOKYO

15 QUEEN'S ROAD CENTRAL, HONG KONG

50 RAFFLES PLACE, SINGAPORE

CUMHURİYET CADDESİ 12/10 İSTANBUL

ZIYA UR RAHMAN CADDESİ 17/5 ANKARA

2013 WALI AL-AHD (P O BOX 2256), JEDDAH

DE:STP

DEC 28 1989 - 8 42 AM

December 28, 1989

INTERSTATE COMMERCE COMMISSION

9-362A003

Office of the Secretary
Recordations Unit
Room 2303
Interstate Commerce Commission
12th and Constitution Avenues, N.W.
Washington, D.C. 20423

Attention: Ms. Mildred Lee

16677
DEC 28 1989 - 8 42 AM
INTERSTATE COMMERCE COMMISSION

Dear Ms. Lee:

Enclosed are an original and a true copy of each of the documents described below, to be recorded pursuant to 49 U.S.C. § 11303.

The first document, the Lease Agreement dated as of November 1, 1989, is a primary document. The names and addresses of the parties to the Lease Agreement are as follows:

Wilmington Trust Company
Rodney Square North
Wilmington, DE 19890

CSX Transportation, Inc.
100 N. Charles Street
Baltimore, MD 21202

The Connecticut National Bank
777 Main Street
Hartford, CT 06115

The second document, the Lease and Indenture Supplement dated December 28, 1989, is a secondary document. The names and addresses of the parties to such document are as follows:

Received by Ms. Lee

Office of the Secretary
December 28, 1989
Page Two

Wilmington Trust Company
Rodney Square North
Wilmington, DE 19890

CSX Transportation, Inc.
100 N. Charles Street
Baltimore, MD 21202

The Connecticut National Bank
777 Main Street
Hartford, CT 06115

A description of the equipment covered by these documents follows: GE Dash 8 40B, 4,000 Horsepower Locomotives, GE Dash 8 40C, 4,000 Horsepower Locomotives and GM SD 60 Locomotives. The identifying marks for the equipment are as follows: The New York, Susquehanna and Western Railway Corporation 4010, 4012, 4014, 4016, 4018, 4020, 4022, 4024, 4026, 4028, 4030, 4032, 4034, 4036, 4038, 4040, 4042, 4044, 4046 and 4048, CSXT 7565-7593 (inclusive) and CSXT 8700-8709 (inclusive).

A filing fee of \$15.00 per document is enclosed. Please return any extra copies not needed by the Commission for recordation to the undersigned.

A short summary of the documents to appear in the index follows:

Lease Agreement dated as of November 1, 1989 between the Wilmington Trust Company, as Owner Trustee, as Lessor and CSX Transportation, Inc., as Lessee covering up to 59 Locomotives identified by the Lessee as follows: The New York, Susquehanna and Western Railway Corporation 4010, 4012, 4014, 4016, 4018, 4020, 4022, 4024, 4026, 4028, 4030, 4032, 4034, 4036, 4038, 4040, 4042, 4044, 4046 and 4048, CSXT 7565-7593 (inclusive) and CSXT 8700-8709 (inclusive).

Lease and Indenture Supplement dated as of December 28, 1989 among the Wilmington Trust Company, not in its individual capacity but as otherwise expressly provided therein but solely as trustee, as Owner Trustee, CSX Transportation, Inc., as Lessee, and the Connecticut National Bank, as Indenture Trustee, covering up to 59 Locomotives identified by the Lessee as follows: The New York, Susquehanna and Western Railway Corporation 4010, 4012, 4014, 4016, 4018, 4020, 4022,

Office of the Secretary
December 28, 1989
Page Three

4024, 4026, 4028, 4030, 4032, 4034, 4036, 4038, 4040, 4042,
4044, 4046 and 4048, CSXT 7565-7593 (inclusive) and
CSXT 8700-8709 (inclusive).

Very truly yours,

David Eisenberg
David Eisenberg

Enclosures

cc: Marianne Rosenberg, Esq.
David W. Bumsted, Esq.

LEASE AND INDENTURE SUPPLEMENT NO. 1

16677-A

RECORDATION NO. _____ FILED 1423

Dated December 28, 1989

DEC 28 1989 -8 45 AM

Among

INTERSTATE COMMERCE COMMISSION

WILMINGTON TRUST COMPANY
not in its individual capacity but solely as trustee,
Lessor/Owner Trustee,

CSX TRANSPORTATION, INC.,
Lessee

and

THE CONNECTICUT NATIONAL BANK
not in its individual capacity but solely as trustee,
Indenture Trustee

20 DASH 8 B SERIES 4,000 HORSEPOWER LOCOMOTIVES
29 GE DASH 8 C SERIES 4,000 HORSEPOWER LOCOMOTIVES
10 GM SD 60 LOCOMOTIVES

CERTAIN RIGHTS, TITLE AND INTEREST IN AND TO THIS LEASE AND INDENTURE SUPPLEMENT NO. 1 AND TO THE LOCOMOTIVES COVERED HEREBY ON THE PART OF THE WILMINGTON TRUST COMPANY, AS OWNER TRUSTEE, HAVE BEEN ASSIGNED TO AND ARE SUBJECT TO A LIEN AND SECURITY INTEREST IN FAVOR OF THE CONNECTICUT NATIONAL BANK, AS INDENTURE TRUSTEE UNDER AN INDENTURE, MORTGAGE AND SECURITY AGREEMENT DATED AS OF NOVEMBER 1, 1989. TO THE EXTENT, IF ANY, THAT THIS LEASE AND INDENTURE SUPPLEMENT NO. 1 CONSTITUTES CHATTEL PAPER (AS SUCH TERM IS DEFINED IN THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN ANY APPLICABLE JURISDICTION), NO SECURITY INTEREST IN THIS LEASE AND INDENTURE SUPPLEMENT NO. 1 MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN THE ORIGINAL COUNTERPART THAT CONTAINS THE RECEIPT THEREFOR EXECUTED BY THE CONNECTICUT NATIONAL BANK AS INDENTURE TRUSTEE, ON OR IMMEDIATELY FOLLOWING THE SIGNATURE PAGE THEREOF.

FILED WITH THE INTERSTATE COMMERCE COMMISSION PURSUANT TO 49 U.S.C. § 11303 ON DECEMBER __, 1989 AT __:__.M., RECORDATION NUMBER ____ AND DEPOSITED WITH THE OFFICE OF THE REGISTRAR GENERAL OF CANADA PURSUANT TO § 90 OF THE RAILWAY ACT OF CANADA ON DECEMBER __, 1989 AT __:__.M., RECORDATION NUMBER ____.

THIS LEASE AND INDENTURE SUPPLEMENT NO. 1, dated December 28, 1989, among WILMINGTON TRUST COMPANY, a Delaware banking corporation, not in its individual capacity but solely as Owner Trustee ("Lessor" or "Owner Trustee") under that certain Trust Agreement dated as of November 1, 1989 (the "Trust Agreement") with FORD MOTOR CREDIT COMPANY, CSX TRANSPORTATION, INC., a Virginia corporation ("Lessee") and THE CONNECTICUT NATIONAL BANK, a national banking association, not in its individual capacity but solely as Indenture Trustee (the "Indenture Trustee").

W I T N E S S E T H :

WHEREAS, Lessor, Lessee and the Indenture Trustee have, with the Owner Participant referred to therein, heretofore entered into a Participation Agreement (the "Participation Agreement"), Lessor and Lessee have heretofore entered into a Lease Agreement (the "Lease"), and the Indenture Trustee and Owner Trustee have heretofore entered into an Indenture, Mortgage and Security Agreement (the "Indenture"), each dated as of November 1, 1989 (capitalized terms used herein without definitions having the respective meanings set forth in Appendix X to the Lease);

WHEREAS, the Participation Agreement and the Lease provide that on the Closing Date Seller shall deliver to Owner Trustee a Bill of Sale dated such date by which Seller bargains, conveys, assigns, sets over, sells and delivers to Owner Trustee, and Owner Trustee purchases and accepts from the Seller, the Locomotives to be conveyed on such Closing Date, and said Bill of Sale has been delivered by Seller and accepted by Owner Trustee on the Closing Date;

WHEREAS, the Participation Agreement, the Lease, and the Indenture provide for the execution of a Lease and Indenture Supplement substantially in the form hereof for the purposes of leasing the Locomotives under the Lease as and when delivered by Lessor to Lessee in accordance with the terms thereof and subjecting such Locomotives to the Lien of the Indenture;

NOW, THEREFORE, in consideration of the premises and for good and sufficient consideration, Lessor, Lessee and Indenture Trustee hereby agree as follows:

1. Lessor hereby delivers and leases to Lessee, and Lessee hereby accepts and leases from Lessor, under the Lease as hereby supplemented, the Locomotives listed on Schedule 1 hereto.

2. Lessee hereby confirms to Lessor that Lessee has accepted such Locomotives for all purposes hereof and of the Lease. The date of delivery and acceptance of such Locomotives under the Lease is the date of this Lease and Indenture Supplement No. 1 set forth in the opening paragraph hereof. The Lease Term for such Locomotives shall commence on the date hereof.

3. The aggregate Lessor's Cost of the Locomotives leased hereunder is \$81,125,000 and the amounts comprising such Lessor's Cost and the Lessor's Cost of each Locomotive leased hereunder are set forth on Schedule 1 hereto. The Stipulated Loss Values and Termination Values for the Locomotives set forth, respectively, on Schedule 2 and 3 hereto shall be applicable in respect of the Locomotives leased hereunder on the date hereof.

4. Lessee hereby confirms its agreement, in accordance with the Lease as supplemented by this Lease and Indenture Supplement No. 1, on the Basic Term Commencement Date to pay Interim Rent to Lessor for each Locomotive leased hereunder as provided for in the Lease and on each Payment Date to pay Basic Rent to Lessor for each Locomotive leased hereunder as provided for in the Lease.

5. In order to secure the prompt payment of the principal of and Premium, if any, and interest on all of the Certificates from time to time Outstanding under the Indenture and of all other amounts payable to or for the benefit of the Holders of the Certificates and the Indenture Trustee under the Indenture, the Participation Agreement and the Indenture Estate Documents, and the performance and observance by the Owner Participant and the Owner Trustee of all agreements, covenants and provisions contained in the Indenture or in any other Operative Document, Lessor has granted, conveyed, pledged, sold, mortgaged, assigned, transferred and set over a security interest unto the Indenture Trustee in (i) the Locomotives listed on Schedule 1 hereto and (ii) this Lease and Indenture Supplement No. 1, in each case excluding Excepted Property and Excepted Rights, to have and to hold unto the Indenture Trustee and its successors and its assigns in trust for the benefit and security for the Holders from time to time of the

Certificates and for its and their own use and benefit forever.

6. All of the provisions of the Lease and the Indenture are hereby incorporated by reference in this Lease and Indenture Supplement No. 1 to the same extent as if fully set forth herein.

7. This Lease and Indenture Supplement No. 1 may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

8. This Lease and Indenture Supplement No. 1 is being delivered in the State of New York and shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, including all matters of construction, validity and performance.

IN WITNESS WHEREOF, Lessor, Lessee and Indenture
Trustee have caused this Lease and Indenture Supplement No.
1 to be duly executed on the date and year set forth in the
opening paragraph hereof.

Lessor/Owner Trustee

WILMINGTON TRUST COMPANY
not in its individual capac-
ity but solely as Owner
Trustee

By *CDaniel*
Title: Financial Services Officer

Lessee

CSX TRANSPORTATION, INC.

By _____
Title:

Indenture Trustee

THE CONNECTICUT NATIONAL BANK
not in its individual capac-
ity but solely as Indenture
Trustee

By _____
Title:

IN WITNESS WHEREOF, Lessor, Lessee and Indenture
Trustee have caused this Lease and Indenture Supplement No.
1 to be duly executed on the date and year set forth in the
opening paragraph hereof.

Lessor/Owner Trustee

WILMINGTON TRUST COMPANY
not in its individual capac-
ity but solely as Owner
Trustee

By _____
Title:

Lessee

CSX TRANSPORTATION, INC.

By A. B. Martin
Title: Treasurer

Indenture Trustee

THE CONNECTICUT NATIONAL BANK
not in its individual capac-
ity but solely as Indenture
Trustee

By _____
Title:

IN WITNESS WHEREOF, Lessor, Lessee and Indenture
Trustee have caused this Lease and Indenture Supplement No.
1 to be duly executed on the date and year set forth in the
opening paragraph hereof.

Lessor/Owner Trustee

WILMINGTON TRUST COMPANY
not in its individual capac-
ity but solely as Owner
Trustee

By _____
Title:

Lessee

CSX TRANSPORTATION, INC.

By _____
Title:

Indenture Trustee

THE CONNECTICUT NATIONAL BANK
not in its individual capac-
ity but solely as Indenture
Trustee

By  _____
Title: Vice President

STATE OF DELAWARE)
COUNTY OF NEW CASTLE : ss.:
)

On this 28th day of DEC, 1989, before me personally appeared Carolyn C. Daniels, to be personally known, who, being by me duly sworn, says that he is Financial Services Officer of Wilmington Trust Company that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

My Commission Expires: 4/30/91

[Notary Seal]

STATE OF MARYLAND)

: ss.:

CITY OF BALTIMORE)

On this 13th day of December, 1989, before me personally appeared A.B. Aftoora, to me personally known, who, being by me duly sworn, says that he is Treasurer of CSX Transportation, Inc., that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Beulah M. McCauley
Notary Public

My Commission Expires: 7-1-90
[Notary Seal]

13 DEC 1989

STATE OF CONNECTICUT)

: ss.:

COUNTY OF HARTFORD)

On this 28th day of Dec., 1989, before me personally appeared P.G. Kane, Jr., to be personally known, who, being by me duly sworn, says that he is Vice President of The Connecticut National Bank, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Debra A. Johnson
Notary Public

My Commission Expires:

[Notary Seal]

DEBRA A. JOHNSON
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 19 90

SCHEDULE 1

SCHEDULE OF LOCOMOTIVES TO BE DELIVERED

<u>Quantity of Locomotives</u>	<u>Serial Numbers</u>	<u>Lessor's Cost Per Unit</u>	<u>Aggregate Lessor's Cost</u>
20 GE Dash 8 B Series 4,000 Horsepower Locomotives	The New York, Susquehanna and Western Railway Corporation 4010 4012, 4014, 4016, 4018, 4020, 4022, 4024, 4026, 4028, 4030, 4032, 4034, 4036, 4038, 4040, 4042, 4044, 4046, 4048	\$1,375,000	\$27,500,000
29 GE Dash 8 C Series 4,000 Horsepower Locomotives	CSXT 7565-7593	\$1,375,000	\$39,875,000
10 GM SD 60 Locomotives	CSXT 8700-8709	\$1,375,000	\$13,750,000

SCHEDULE 2
to
Lease and Indenture
Supplement No. 1

BASIC RENT

<u>Payment Date</u>	<u>Percentage of Lessor's Cost</u>
July 1, 1990	0.00
Jan. 1, 1991	2884262.75
July 1, 1991	3629872.61
Jan. 1, 1992	0.00
July 1, 1992	6514135.36
Jan. 1, 1993	0.00
July 1, 1993	6514135.36
Jan. 1, 1994	0.00
July 1, 1994	6514135.36
Jan. 1, 1995	2502651.50
July 1, 1995	4011483.86
Jan. 1, 1996	2438561.50
July 1, 1996	4075573.86
Jan. 1, 1997	2368170.50
July 1, 1997	4145964.86
Jan. 1, 1998	2293304.75
July 1, 1998	4220830.61 (in arrears)
July 1, 1998	4220830.61 (in advance)
Jan. 1, 1999	6514135.36
July 1, 1999	2033232.50
Jan. 1, 2000	5928488.50
July 1, 2000	1927475.00
Jan. 1, 2001	6034246.00
July 1, 2001	1812709.50
Jan. 1, 2002	6149011.50
July 1, 2002	1688304.50
Jan. 1, 2003	6273416.50
July 1, 2003	1483125.75
Jan. 1, 2004	6478595.25
July 1, 2004	1258350.75
Jan. 1, 2005	6703370.25
July 1, 2005	1012009.75
Jan. 1, 2006	6949711.25
July 1, 2006	743360.50
Jan. 1, 2007	7218360.50
July 1, 2007	448748.00
Jan. 1, 2008	7512973.00
July 1, 2008	126453.00
Jan. 1, 2009	7823905.57



July 1, 2009	0.00
Jan. 1, 2010	7961721.00
July 1, 2010	0.00
Jan. 1, 2011	7961721.00
July 1, 2011	0.00
Jan. 1, 2012	7961721.00
July 1, 2012	0.00
Jan. 1, 2013	7961721.00

SCHEDULE 3
to
Lease and Indenture
Supplement No. 1

STIPULATED LOSS VALUE

If the event giving rise to an obligation to pay Stipulated Loss Value occurs and the actual date as of which the Owner Participant shall incur Federal income tax consequences shall be earlier or later than the date assumed in originally calculating the applicable Stipulated Loss Value, such value shall be appropriately adjusted, based upon the date as of which the Owner Participant incurred such tax consequences but otherwise on the same assumptions used to calculate the following values. In any case where Stipulated Loss Value shall be payable, there shall be added to the amount determined pursuant to the following schedule, the amount of premium, if any, payable in respect of the Certificates.

Notwithstanding any provision in the Lease to the contrary, the parties hereto acknowledge and agree that the following table of Stipulated Loss Value percentages has been calculated without regard to payment of Basic Rent as of the applicable Payment Date. Accordingly, during the Basic Term, if the payment of Stipulated Loss Value in respect of a Locomotive occurs prior to July 1, 1998, the Lessee shall also pay the Basic Rent with respect to such Locomotive due on the applicable Payment Date; if the payment of Stipulated Loss Value in respect of a Locomotive occurs on July 1, 1998, the Lessee shall also pay the Basic Rent (to the extent it is reflected as an arrears payment on Schedule 2 to this Lease and Indenture Supplement) with respect to such Locomotive due on such Payment Date; if the payment of Stipulated Loss Value in respect of a Locomotive occurs after July 1, 1998, the Lessee shall not be obligated to pay Basic Rent in respect of such Unit on such Payment Date.

The Stipulated Loss Value set forth in this Schedule 2 shall be applicable in respect of the Locomotives leased hereunder on the date hereof.

<u>Payment Date</u>	<u>Percentage of Lessor's Cost</u>
December 28, 1989	101.45000000
January 1, 1991	108.16622610
July 1, 1991	108.31067340
January 1, 1992	112.64231259
July 1, 1992	108.92369088
January 1, 1993	112.80380512
July 1, 1993	108.69880308
January 1, 1994	112.33928917
July 1, 1994	108.02814081
January 1, 1995	108.41997275
July 1, 1995	106.90514658
January 1, 1996	107.17086285
July 1, 1996	105.35928103
January 1, 1997	105.53670789
July 1, 1997	103.51748674
January 1, 1998	103.71868815
July 1, 1998	101.57016806
January 1, 1999	104.51919186
July 1, 1999	99.23438819
January 1, 2000	99.55348188
July 1, 2000	94.88871809
January 1, 2001	95.23527031
July 1, 2001	90.32134192
January 1, 2002	90.69452990
July 1, 2002	85.51459937
January 1, 2003	85.92190655
July 1, 2003	80.51278747
January 1, 2004	81.11065605
July 1, 2004	75.37629529
January 1, 2005	76.19532649
July 1, 2005	70.11822395
January 1, 2006	71.19392334
July 1, 2006	64.75783989
January 1, 2007	66.13050441
July 1, 2007	59.31879680
January 1, 2008	61.03403960
July 1, 2008	53.82895464
January 1, 2009	55.93824344
July 1, 2009	48.17938617
January 1, 2010	50.28092514
July 1, 2010	42.08222971
January 1, 2011	43.90417837
July 1, 2011	35.41464883
January 1, 2012	36.93269250
July 1, 2012	28.12544283
January 1, 2013	29.31132323
July 1, 2013	20.23419465

SCHEDULE 4
to
Lease and Indenture
Supplement No. 1

TERMINATION VALUE

If the event giving rise to an obligation to pay Termination Value occurs and the actual date as of which the Owner Participant shall incur Federal income tax consequences shall be earlier or later than the date assumed in originally calculating the applicable Termination Value, such value shall be appropriately adjusted, based upon the date as of which the Owner Participant incurred such tax consequences but otherwise on the same assumptions used to calculate the following values. In any case where Termination Value shall be payable, there shall be added to the amount determined pursuant to the following schedule, the amount of any premium, if any, payable in respect of the Certificates.

Notwithstanding any provision in the Lease to the contrary, the parties hereto acknowledge and agree that the following table of Termination Value percentages has been calculated without regard to payment of Basic Rent as of the applicable Payment Date. Accordingly, during the Basic Term, if the payment of Termination Value in respect of a Locomotive occurs prior to July 1, 1998, the Lessee shall also pay the Basic Rent with respect to such Locomotive due on the applicable Payment Date; if the payment of Termination Value in respect of a Locomotive occurs on July 1, 1998, the Lessee shall also pay the Basic Rent (to the extent it is reflected as an arrears payment on Schedule 1 to this Lease and Indenture Supplement) with respect to such Unit due on such Payment Date; if the payment of Termination Value in respect of a Locomotive occurs after July 1, 1998, the Lessee shall not be obligated to pay Basic Rent in respect to such Locomotive on such Payment Date.

The Termination Value set forth in this Schedule 3 shall be applicable in respect of the Locomotives leased hereunder on the date hereof.

<u>Payment Date</u>	<u>Percentage of Lessor's Cost</u>
July 1, 1990	106.57594107
January 1, 1991	107.67391707
July 1, 1991	107.62174665
January 1, 1992	111.78037646
July 1, 1992	107.89982019
January 1, 1993	111.65856162
July 1, 1993	107.43820081
January 1, 1994	110.97036734
July 1, 1994	106.55343703
January 1, 1995	106.84011366
July 1, 1995	105.22137685
January 1, 1996	105.38832765
July 1, 1996	103.48099758
January 1, 1997	103.56223196
July 1, 1997	101.44359075
January 1, 1998	101.53798410
July 1, 1998	99.27527885
January 1, 1999	102.10744067
July 1, 1999	96.69789663
January 1, 2000	96.87780762
July 1, 2000	92.07437529
January 1, 2001	92.26737199
July 1, 2001	87.20039104
January 1, 2002	87.40459740
July 1, 2002	82.05531416
January 1, 2003	82.27606291
July 1, 2003	76.66254170
January 1, 2004	77.03581395
July 1, 2004	71.05582419
January 1, 2005	71.60545174
July 1, 2005	65.23414268
January 1, 2006	65.98771951
July 1, 2006	59.20034887
January 1, 2007	60.18903966
July 1, 2007	52.95916504
January 1, 2008	54.21806748
July 1, 2008	46.51667458
January 1, 2009	48.08518043
July 1, 2009	39.79011913
January 1, 2010	41.30857089
July 1, 2010	32.56042435
January 1, 2011	33.78663622
July 1, 2011	24.73581666
January 1, 2012	25.64734251
July 1, 2012	16.26920963
January 1, 2013	16.84028818
July 1, 2013	7.13202481